HOWELL-OREGON ELECTRIC COOPERATIVE WILL BE A LEADER IN DELIVERING COST EFFICIENT, RELIABLE ENERGY WITH VALUE-ADDED SERVICE TO ITS MEMBER-OWNERS.

BOARD OF DIRECTORS

DISTRICT 1
JIM LAWRENCE, PRESIDENT
GAREL MONTGOMERY
ROLAND REED

DISTRICT 2
KEITH THARP, VICE-PRESIDENT
DR. DAVID NAPPIER
CLINTON REEVES

DISTRICT 3
DON NIELSEN, SECRETARY/TREASURER
JOHN PLUMMER
DENNIS WALTON

DISTRICT 4
DON JOHNSON, ASSISTANT SEC./TREAS.
GLEN JOHNSON
LARRY PENDERGRASS

HOW EACH DOLLAR WAS DISTRIBUTED IN 2018

PURCHASED POWER COST 54.11%
OPERATION AND MAINTENANCE 31.99%
DEPRECIATION OF SYSTEM 8.38%
INTEREST EXPENSE 4.99%
TAXES .53%

WELCOME TO THE 80TH ANNUAL MEETING OF MEMBERSHIP

WEST PLAINS CIVIC CENTER
MAY 3, 2019
## Statement of Operations
### 2018

**Don Nielsen, Secretary - Treasurer**

### Operating Income:

$44,246,134

### Operating Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased Power Cost</td>
<td>$22,702,066</td>
</tr>
<tr>
<td>Expense for Operating &amp; Maintenance</td>
<td>$13,424,672</td>
</tr>
<tr>
<td>Depreciation of System</td>
<td>$3,517,096</td>
</tr>
<tr>
<td>Taxes: Franchise</td>
<td>$221,240</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$2,095,748</td>
</tr>
</tbody>
</table>

### Total Operating Expense:

$41,960,822

### Patronage Capital & Operating Margins:

$2,285,312

### Non-Operating Margins:

$518,412

### Patronage Capital Assigned Power Suppliers & Other:

$82,889

### Total Patronage Capital & Margins:

$2,886,613

**Equity Ratio:** 34.01%

### Total Electric Plant Owned by Howell-Oregon Electric:

$122,842,175

### Total Amount Owed to RUS & Other Long Term Debt:

$65,727,938

### Number of Meters - December 2018:

24,433

### Number of Meters - December 2017:

24,257

### Miles of Line - 2018:

4,892

### An Efficient 2018:

**Line crews were busy again for the year of 2018. The following is a reflection of some of the work that was performed:**

1,499 - Poles were replaced

86 - Security lights installed

333 - New services built

212 - Services retired

7 - Miles of line built

2,753 - Meters tested

745 - Miles of right of way re-cleared

1,859 - Consumer assistance calls reported

5,203 - Man hours spent on assistance calls

4,075 - Trees trimmed